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**WHEREAS**, the City of Little Rock, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Act 1808 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated) (the "Act"), to issue notes and expend the proceeds thereof to finance all or a portion of the cost of acquiring, constructing, equipping and installing real property or tangible personal property having an expected useful life of more than one (1)-year; and,

**WHEREAS**, it is proposed that the City issue its promissory note in the principal amount of Five Million, Nine Hundred Ten Thousand Dollars (\$5,910,000.00) (the "Note") under Amendment No. 78 and the Act for the purpose of financing all or a portion of the costs of the Property to be Financed; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:**

**Section 2.** Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Amendment No. 78 and the Act, the Note is hereby authorized and ordered issued in

1 the principal amount of Five Million, Nine Hundred Ten Thousand Dollars (\$5,910,000.00) for the purpose  
2 of financing all or a portion of the costs of acquiring, constructing, equipping and installing the Property to  
3 be Financed and paying expenses of issuing the Note. The Note shall be dated the date of its issuance and  
4 shall bear interest on the outstanding principal amount at a fixed rate not to exceed 3.00% per annum. The  
5 Note shall be repaid in five (5) substantially equal annual amortized installments of principal and interest,  
6 commencing one (1)-year from the date of the Note and on the same day of each year thereafter, with the  
7 final installment due five (5) years from the date of the Note. The Note shall be issued in fully registered  
8 form. The Note shall be executed by the Mayor and the City Clerk, and the seal of the City shall be affixed  
9 to the Note,

10 **Section 3.** The Note shall be issued to the Lender in consideration for the Loan. The Lender shall be  
11 selected by the City Manager based upon the commitment or proposal for the Loan that the City Manager  
12 determines to have the lowest cost to the City. The City Treasurer is hereby authorized and directed to  
13 solicit proposals or commitments for the Loan from at least three (3) banking institutions having offices in  
14 the City, in such manner as shall be approved by the City Manager. The City Manager shall have the right  
15 to reject any and all proposals and commitments.

16 **Section 4.** As provided in Amendment No. 78, the annual debt service payments on the Note in each  
17 fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For  
18 the purpose of making the annual debt service payments, there is hereby, and shall be, appropriated to pay  
19 the Note, an amount of general revenues of the City sufficient for such purpose. The City Treasurer is  
20 hereby authorized and directed to withdraw from the General Fund of the City the amounts at the times  
21 necessary to make the annual debt service payments on the Note.

22 **Section 5. (a)** The City covenants with the owner of the Note (the "Owner") from time to time that  
23 it shall not take any action or suffer or permit any action to be taken or condition to exist which causes or  
24 may cause the interest payable on the Note to be included in gross income for federal income tax purposes.  
25 Without limiting the generality of the foregoing, the City covenants with the Owner that the proceeds of  
26 the sale of the Note will not be used directly or indirectly in such manner as to cause the Note to be treated  
27 as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended  
28 (the "Code").

29 (b) The City covenants with the Owner that it will not use or permit the use of the Property to be  
30 Financed or the proceeds of the Note in such manner as to cause the Note to be a "private activity bond"  
31 within the meaning of Section 141 of the Code.

32 (c) The City covenants with the Owner that it will not reimburse itself from Note proceeds for any  
33 costs paid prior to the date the Note is issued except in compliance with United States Treasury Regulation  
34 No. 1.150-2. This ordinance shall constitute an "official intent" for purposes of the Regulation.

1 (d) The City covenants with the Owner that it will submit to the Secretary of the Treasury of the  
2 United States, not later than the 15<sup>th</sup> day of the second calendar month after the close of the calendar quarter  
3 in which the Note is issued, a statement concerning the Note which contains the information required by  
4 Section 149(e) of the Code.

5 **Section 6.** The City shall provide such financial information to the Lender as the Lender may  
6 reasonably request.

7 **Section 7.** The Mayor, City Manager, City Treasurer, City Attorney and City Clerk are hereby  
8 authorized and directed, for an on behalf of the City, to perform all acts of whatever nature necessary to  
9 effect and carry out the authority conferred by this ordinance and to execute all papers, documents,  
10 certificates and other instruments that may be required for the carrying out of such authority or to evidence  
11 the exercise thereof.

12 **Section 8. *Severability.*** In the event any title, section, paragraph, item, sentence, clause, phrase or  
13 word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or  
14 adjudication shall not affect the remaining portions of this ordinance which shall remain in full force and  
15 effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the  
16 ordinance.

17 **Section 9. *Repealer.*** All laws, ordinances, resolutions or parts of the same which are inconsistent  
18 with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

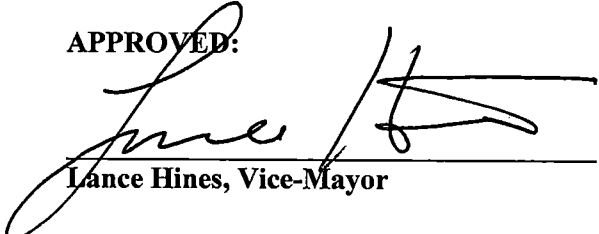
19 **Section 10. *Emergency Clause.*** The Board of Directors hereby determines that the instigation and  
20 completion of the capital improvements constituting the Property to be Financed hereinabove described are  
21 essential to the public health, safety and welfare of the citizens of the City, and must be financed as quickly  
22 as possible; an emergency is, therefore, declared to exist and this ordinance shall be in full force and effect  
23 from and after the date of its execution.

24 **PASSED: May 5, 2015**

25 **ATTEST:**

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27 \_\_\_\_\_  
28 Susan Langley, City Clerk

**APPROVED:**

  
29 \_\_\_\_\_  
30 Lance Hines, Vice-Mayor

31 **APPROVED AS TO LEGAL FORM:**

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33 \_\_\_\_\_  
34 Thomas M. Carpenter, City Attorney

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Note: Ordinance 21,033 was published as Ordinance 21,034 by the Arkansas Democrat Gazette in error.

# Arkansas Democrat Gazette

ORDINANCE NO. 21,034  
AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF A PROMISSORY NOTE TO PROVIDE SHORT-TERM FINANCING UNDER AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION FOR THE ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF REAL AND TANGIBLE PERSONAL PROPERTY; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the City of Little Rock, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Act 1808 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated) (the "Act"), to issue notes and expend the proceeds thereof to finance all or a portion of the cost of acquiring, constructing, equipping and installing real property or tangible personal property having an expected useful life of more than one (1)-year; and

WHEREAS, the City proposes to finance (i) capital improvements associated with public safety, including, but not limited to, the acquisition of Police Vehicles and equipment, and (ii) capital improvements associated with the acquisition, construction and equipping of a West Central Community Center (collectively, the "Property to be Financed"); and

WHEREAS, it is proposed that the City issue its promissory note in the principal amount of Five Million, Nine Hundred Ten Thousand Dollars (\$5,910,000.00) (the "Note") under Amendment No. 78 and the Act for the purpose of financing all or a portion of the costs of the Property to be Financed; and

WHEREAS, the City intends to arrange for a loan (the "Loan") from a banking institution (the "Lender") and to issue the Note to the Lender in consideration for the Loan;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1. The Board of Directors hereby finds that the Property to be financed is real property or tangible personal property having a useful life of more than one (1)-year. The Board of Directors further finds that the aggregate principal amount of the Note and the City's outstanding indebtedness issued or incurred under Amendment No. 78 does not exceed 5% of the assessed value of taxable property located within the City as determined by the last tax assessment.

Section 2. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Amendment No. 78 and the Act, the Note is hereby authorized and ordered issued in the principal amount of Five Million, Nine Hundred Ten Thousand Dollars (\$5,910,000.00) for the purpose of financing all or a portion of the costs of acquiring, constructing, equipping and installing the Property to be Financed and paying expenses of issuing the Note. The Note shall be dated the date of its issuance and shall bear interest on the outstanding principal amount at a fixed rate not to exceed 3.00% per annum. The Note shall be repaid in five (5) substantially equal annual amortized installments of principal and interest, commencing one (1)-year from the date of the Note and on the same day of each year thereafter, with the final installment due five (5) years from the date of the Note. The Note shall be issued in fully registered form. The Note shall be executed by the Mayor and the City Clerk, and the seal of the City shall be affixed to the Note.

Section 3. The Note shall be issued to the Lender in consideration for the Loan. The Lender shall be selected by the City Manager based upon the commitment or proposal for the Loan that the City Manager determines to have the lowest cost to the City. The City Treasurer is hereby authorized and directed to solicit proposals or commitments for the Loan from at least three (3) banking institutions having offices in the City, in such manner as shall be approved by the City Manager. The City Manager shall have the right to reject any and all proposals and commitments.

Section 4. As provided in Amendment No. 78, the annual debt service payments on the Note in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making the annual debt service payments, there is hereby, and shall be, appropriated to pay the Note, an amount of general revenues of the City sufficient for such purpose. The City Treasurer is hereby authorized and directed to withdraw from the General Fund of the City the amounts at the times necessary to make the annual debt service payments on the Note.

Section 5. (a) The City covenants with the owner of the Note (the "Owner") from time to time that it shall not take any action or suffer or permit any action to be taken or condition to exist which causes or may cause the interest payable on the Note to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants with the Owner that the proceeds of the sale of the Note will not be used directly or indirectly in such manner as to cause the Note to be treated as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

(b) The City covenants with the Owner that it will not use or permit the use of the Property to be Financed or the proceeds of the Note in such manner as to cause the Note to be a "private activity bond" within the meaning of Section 141 of the Code.

(c) The City covenants with the Owner that it will not reimburse itself from Note proceeds for any costs paid prior to the date the Note is issued except in compliance with United States Treasury Regulation No. 1.150-2. This ordinance shall constitute an "official intent" for purposes of the Regulation.

(d) The City covenants with the Owner that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Note is issued, a statement concerning the Note which contains the information required by Section 149(e) of the Code.

Section 6. The City shall provide such financial information to the Lender as the Lender may reasonably request.

Section 7. The Mayor, City Manager, City Treasurer, City Attorney and City Clerk are hereby authorized and directed, for an on behalf of the City, to perform all acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance and to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

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Section 8. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the ordinance.

Section 9. Repealer. All laws, ordinances, resolutions or parts of the same which are inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

Section 10. Emergency Clause. The Board of Directors hereby determines that the instigation and completion of the capital improvements constituting the Property to be Financed hereinabove described are essential to the public health, safety and welfare of the citizens of the City, and must be financed as quickly as possible; an emergency is, therefore, declared to exist and this ordinance shall be in full force and effect from and after the date of its execution.

PASSED: May 5, 2015

ATTEST:

Susan Langley, City Clerk  
APPROVED:  
Lance Hines, Vice-Mayor  
APPROVED AS TO LEGAL  
FORM:  
Thomas M. Carpenter, City  
Attorney  
73155331z

Subscribed and sworn to me this  
day of May, 2015

*Bennie J. Fuller*  
*Bennie J. Fuller*  
Notary Public

OFFICIAL SEAL  
BENNIE J. FULLER  
NOTARY PUBLIC - ARKANSAS  
BEN LASKI COUNTY  
MY COM. EXPIRES 12-21-2021